

Louisiana Property and Casualty  
Insurance Commission  
Louisiana Department of Insurance  
P.O. Box 94214  
Baton Rouge, LA 70804-9214  
www.ldi.state.la.us

Louisiana Property and Casualty  
Insurance Commission  
Monthly Report  
Online at www.ldi.state.la.us

Volume 5-Issue 8- August 2005

News Briefs

Latest Hurricane Update

Dr. William Gray, hurricane expert at Colorado State University, has upgraded his May hurricane forecast for the 2005 season, predicting from 15 to 20 named storms, 10 of which will be hurricanes. Dr. Gray increased his number of hurricanes from eight to ten, and the number of intense storms from four to six. Both increases are based on the very active early part of the season.

This year has been a record-setting season with seven tropical storms, two of which became major hurrincanes, during June and July. Coastal residents realize most of the activity is still expected to occur during the peak months of August through October.

The causes of the increased activity include sea surface temperatures in the tropics being about 2-3 degrees above normal, and the jetstream placement as a guide to steer storms off Africa towards areas that nuture hurricanes.<sup>1</sup>

Last month’s Hurricane Dennis, a category 3 storm that made land-fall near Pensacola, Florida, has resulted in 46,000 claims for damages totalling \$47 million as of the first week in August. Insurers expect to pay out more than \$900 million in claims, with \$640 million of those from Florida.

US Highway Fatalities

In 2004, the fatality rate on the nation’s highways was the lowest since record-keeping began in 1965. The number of alcohol-related fatalities also dropped for the second straight year.

The fatality count was 42,636, down from 42,884 in 2003. Alcohol-related fatalities dropped to 16,694, as compared to 17,105 in 2003. Nearly 40 percent of the nation’s total traffic deaths are alcohol-related.

All 50 states now have a uniform standard of 0.08 BAC for drunken driving, as the last state (Minnesota) fell into line on August 1, 2005.

The District of Columbia had the highest percentage decrease followed by Rhode Island, Minnesota, Montana and Nebraska. The head of traffic enforcement for the district credited weekly alcohol checkpoints and photo enforcement of speed limits and redlights for bringing down the death toll in the capital city.

Source 1: E. Perez. Wall Street Journal. August 3, 2005

continued on the next page

Louisiana Property and Casualty Insurance Commission -Monthly Report

- ◆ *The Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)
- ◆ *The Monthly Report* may be reprinted with prior permission.

LA Property & Casualty Insurance Commission Staff

Molly Quirk Kirby, Director  
Terrell Moss, Research Analyst  
Rana Johnson, Staff Support

- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.

This public document is published at a total cost of \$349.58. 292 copies of this public document were published in this first printing at a cost of \$12.50. The total cost of all printings of this document including reprints is \$349.58. This document was published by the Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, to provide information and analysis of property and casualty insurance under special exception by the Division of Administration. This material was printed in accordance with standards for printing by State Agencies established pursuant to R.S. 43:31.

It has been noted that the increased use of sobriety checkpoints could help lower the number of alcohol-related traffic fatalities even further. These checkpoints are allowed in 40 states, including Louisiana.

Also, there is the need for increased safety belt use. Even with seat belt usage at its highest level of 80 percent, fifty-five percent of those killed in passenger vehicles were not wearing seat belts. This statistic should further emphasize the need for states to adopt the primary safety belt laws. There are 22 states, along with the District of Columbia and Puerto Rico, that have adopted the primary safety belt laws since 2001.

The National Highway Traffic Safety Administration estimates that highway crashes cost society \$230.6 billion a year, which is about \$820 per person.

Announcement: Mark Your Calendars!

2005 Louisiana Property & Casualty Filing Seminar  
September 22nd  
Hyatt Regency  
New Orleans, Louisiana

Contact the Louisiana Department of Insurance with any questions at  
(225) 342-5203 or p&c filingseminar@ldi.state.la.us

Louisiana Property and Casualty Insurance Commission Members		
Commissioner Robert Wooley		
Jeff Albright		
Col. Jim Champagne		
Chuck McMains		
Terry Lisotta		
H. "Marc" Carter		
Senator James David Cain		
Representative Karen Carter		
Representative Michael Jackson		
Earl Taylor		
Kay Hodges		
Tom O'Neal		
Theodore "Ted" Haik, Jr.		
Aubrey T. Temple, Jr.		
Nicholas Gachassin		
Richard Clements		
Chad Brown		
Lorrie Brouse		

Louisiana Property & Casualty Insurance Commission

The Louisiana Property and Casualty Insurance Commission (LPCIC) held a meeting recently at the Department of Insurance. Colonel James Champagne and Ms. Molly Kirby addressed the group on legislation that passed during the 2005 Regular Session pertaining to highway safety issues and the property and casualty insurance market.

Colonel Champagne, Executive Director of the Louisiana Highway Safety Commission discussed the following bills and study resolutions:

Act 32-Vehicular Homicide	Act 165-Unlawful purchase of alcohol
Act 381-Vehicle Ignition Interlock	Act 490-Excessive Noise Violations
Act 497-DWI Repeat Offenders	Act 129-Tail Lamps
Act 347-Railroad Crossings	HCR 128-Aggressive Driving
HCSR 8-Safety Inspections	HSR 4- Testing for alcohol
HSR 8-Abandon Vehicles	HSR 19-Study DWI Penalties

Ms.Kirby, Director of the LPCIC and the Legislative Coordinator for the Department of Insurance, presented the following legislation:

Act 217-LA Citizens Insurance Corp.	Act 257-Workers' Compensation
Act 258-Policy Conversions	Act 262-Air Bags
Act 265-Compulsory Auto	Act 309-Horsemen Workers' Compensation
Act 408-Military Discount	Act 418-Policy Limits
Act 450-Insurance Fraud	Act 507-Driving Records

Lieutenant Allen Carpenter, Supervisor of the Louisiana State Police Insurance Fraud Unit, also addressed the commission. Lt. Carpenter outlined one of the major insurance fraud problems facing the state, the manufacture and distribution of fraudulent insurance cards. With information from the Office of Motor Vehicles, and the cooperation of the Attorney General's office, the Department of Insurance's fraud section, and the State Police, this investigation has resulted in 33 arrests, with 8 of those persons manufacturers of the fraudulent cards.

The fraud unit, along with the help of the insurance industry, is creating an identification manual to help all law enforcement officers recognize these fraudulent cards. Stronger deterrents and penalties may be developed to strengthen our present fraud statutes as the investigations continue to uncover the extent of this problem in the state.

Recommendations for future areas of study for LPCIC were: the development of a Driver's License Point System, technological speed enforcement and redlight running, additional rate reform measures, and the usage of the event data recorders ("Black Boxes").

(See the July issue of the *Monthly Report* for more detailed discussion of some of this legislation)